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WALES AIR AMBULANCE CHARITY

Welsh Air Ambulance Charitable Trust

Annual Report and Accounts

1 August 2020 – 31 July 2021



COMPANY NO: 4036600

CHARITY NO: 1083645



Foreword

This Annual Report covers the 12 months between 1 August 2020 and 31 July 2021, a period when the COVID-19 pandemic, and the resulting government-directed legislation and guidance, dominated the actions and behaviours of individuals and organisations. For a frontline medical Charity like ours, the effect of the pandemic brought about a unique challenge. On the one hand, our medical colleagues remained on the 'frontline', working tirelessly to treat patients in life or limb-threatening emergencies. On the other hand, the Charity saw the cessation of its face-to-face fundraising and retail operations following the implementation of government restrictions, and many of our Charity colleagues were placed on furlough. Wales Air Ambulance has consistently, and over many years, taken steps to ensure income and expenditure are aligned and that financial risks are consistently reviewed and managed. This approach, along with strong leadership and timely action from the onset of COVID-19, means that we have been able to effectively manage the Charity through what is the

most challenging period in its history.

Despite the pandemic, it is important to recognise the significant milestone reached by the Charity on 1 March 2021 – its 20th anniversary (see page 8). Over the past two decades, Wales Air Ambulance has grown from a one helicopter operation to become the largest in the UK, with four aircraft. In that time, we have attended over 41,000 missions. With the introduction of consultant-led medical capability to the service in 2015, in partnership with the Emergency Medical Retrieval and Transfer Service, we now offer emergency department treatment at the scene of an incident. That makes our service one of the most medically advanced in Europe.

During this reporting period, we recorded our highest ever number of missions attended – 3,591 (see page 22). This is 516 missions more than the previous twelve months, which was also a record-breaking year. The year-on-year rise demonstrates the ever-increasing demand for our service and the fact that we are now a vital part of the critical

care landscape in Wales.

Taking into account the new pressures and demands as we move beyond the pandemic, the Charity has undertaken a strategic review (see page 20). We believe that our 2021-2026 Strategy will allow us to remain agile as we continue to navigate the unpredictability that lies ahead. It will also offer us scope to embrace new service delivery models and advancements in emergency care, and ensure the long-term sustainability of Wales Air Ambulance for future generations.

As always, we owe an enormous debt of gratitude to our employees, Trustees, supporters and partners. Without their dedication, passion and flexibility the Wales Air Ambulance Charity would not exist. It is because of them that we are able to serve Wales and save lives.

On behalf of the Trustees, I present to you this report with the financial statements of the Charity for the year ending 31 July 2021.

Dave Gilbert OBE
Chair of Trustees, Wales Air Ambulance Charity

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Our Purpose

About Wales Air Ambulance

Launched on St. David's Day 2001, Wales Air Ambulance is the official air ambulance service for Wales. We provide vital 24/7 emergency air cover for those who face life-threatening illness or injuries across the country.

We are the only air ambulance charity based in, and dedicated to, Wales and rely entirely on donations to raise £8 million each year to keep our helicopters in the air and rapid response vehicles on the road.

Our Mission

To deliver lifesaving, advanced medical care to people across Wales, whenever and wherever they need it.

Our Vision

To improve the lives of patients and their families by being a world leader in advanced, time-critical care.

Our Values

Integrity

To be an organisation that is open and transparent, and actively embraces equality and diversity. To demonstrate honesty and fairness in every action we take.

Valuing People

To treat everyone with dignity and respect, value all contributions and help one another succeed through effective teamwork.

Innovation

To be a creative, forward-thinking organisation that is open to new ideas, meets the challenges and embraces change. To aspire for excellence in everything we do and strive for continuous improvement.

Accountability

To take responsibility for performance in all of our decisions and actions. To ensure as an independent charity that everything we do is patient-focused.

Serving Wales, Saving Lives

Wales Air Ambulance covers the whole of Wales every single day, covering rural countryside, bustling towns and cities, along the Welsh coastline and across vast mountain ranges. Our four airbase operations in Caernarfon, Llanelli, Welshpool and Cardiff are ready to save lives wherever needed.

Flying ED (Emergency Department)

Wales Air Ambulance takes the emergency department (ED) directly to the patient. Find out more about our medical operation on page 6.

A 24/7 Air Ambulance for Wales

The past year has seen Wales Air Ambulance continue to grow thanks to the generosity of the people of Wales.

In December 2020, the Charity achieved its ambition to become a 24/7 service. The enhanced service ensures that pre-hospital critical care is available Wales-wide 24 hours a day.



The Medical Operation

About the Medical Operation

In April 2015, a new and more advanced medical workforce began to operate from the Wales Air Ambulance bases. The Wales Air Ambulance Charity partnered with NHS Wales to create a consultant-led medical operation - known within the NHS as the Emergency Medical Retrieval and Transfer Service (EMRTS Cymru). EMRTS Cymru is responsible for the medical workforce and medical governance of the service.

Benefits

EMRTS Cymru was created in the belief that it would bring a series of benefits to Wales, as follows:

- Our Service will deliver equity of access to pre-hospital critical care for the people of Wales.
- Our Service will deliver health gains through early ED-standard treatment (provided outside of normal paramedic practice) and direct transport to specialist care centres. This should improve the recovery of a patient and increase the number of 'unexpected survivors'.
- Our Service will deliver downstream benefits for hospitals across Wales. More patients will be taken directly to the most appropriate centre with fewer requirements for secondary transfers. Previously, this would have depleted hospitals of specialist medics (such as anaesthetists or critical care nurses) and created additional burden for the Welsh Ambulance Service.

Medical Services

The medical services we offer are as follows:

- **Pre-hospital critical care for all age groups** (i.e. any treatment/decision that is carried outside of normal paramedic practice).
 - **Undertaking time-critical, life or limb-threatening** adult and paediatric transfers from peripheral centres (inc. Emergency Departments, Medical Assessment Units, Intensive Care Units, Minor Injury Units) for patients needing specialist treatment at the receiving hospital.
- In addition, our Service provides an enhancement of neonatal and maternal prehospital critical care - both for home deliveries and deliveries in free-standing midwifery-led units (MLUs).

This includes:

- **Transporting neonatal teams to distant time-critical cases by air.**
- **Supporting midwife units and home deliveries** by stabilising neonates and women with life-threatening problems and transporting them to a consultant-led delivery unit.

Finally, the Service provides a multitude of roles at major-incident or mass-casualty events and a strategic medical advisor is available 24/7. This advisor is known as a top cover consultant.

In addition to the Wales Air Ambulance Charity helicopters, medics have access to a fleet of Rapid Response Vehicles (RRVs). The state-of-the-art RRVs have been designed to enable the team to reach the scene of a medical emergency, by road, as fast as possible. Vehicles are stationed at each Wales Air Ambulance base. Medical equipment has been designed to be interchangeable between the Charity's helicopters and the RRVs.

Our medical operation is coordinated and tasked centrally via the Critical Care Hub which is based at the Welsh Ambulance Service headquarters in Cwmbran.

Patient Liaison Service

In 2020, our service recruited its first patient liaison nurse, with a view to provide a wider liaison service. Many patients treated by the Wales Air Ambulance have suffered serious trauma. It can be difficult for both a patient and their family. As a service, we recognise the importance of an ongoing relationship with patients following their contact with our clinicians.

Our Patient Liaison Nurse supports patients and relatives on their journey to recovery, providing consistency and support throughout, including after discharge home. Some key aspects of the Patient Liaison Nurse role are:

- Follow up visits at varying intervals during recovery, differing from patient-to-patient.
- Many patients are so critically unwell that they are unable to recall what happened to them. The Patient Liaison Nurse can fill in these gaps and help them to understand.
- Emotional support for both patients and relatives. Signposting to other organisations who can offer additional support.
- Organising visits to meet the crew who attended a patient.
- Bereavement support for those who have lost a loved one.

Since the introduction of the Patient Liaison Nurse, there has been positive feedback from patients, relatives and staff.

This success has prompted an expansion of the service, with an additional Patient Liaison Nurse taking up post in 2022.

20 YEARS of Saving Lives

In March 2021, Wales Air Ambulance marked its 20th anniversary. Since its inception, our Charity has undertaken over **41,000** missions. We have reached this milestone thanks to public support. You have helped to make our vision of becoming a **24/7** service a reality and have made sure that we continue to provide an essential lifesaving service to the people of Wales.

To keep the helicopters in the air and the rapid response vehicles on the road 24/7, we need to raise **£8 million** every year.

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WALES AIR AMBULANCE



Neil's Story

Twenty years ago, Neil Chattington started an under 16s rugby match and little did he know that he would become a significant part of Wales Air Ambulance's history.

Neil, who was scared of flying, was the first-ever patient that the Wales Air Ambulance attended after its launch in 2001.

Reflecting on his memories of the day, Neil, who was playing for Glynneath Rugby Club against Aberavon, said: "I wasn't expecting to be tackled so wasn't tensed for it. I got spun around and hit the ground hard and when I settled, I felt a really sharp pain in the left side of my neck and lost the feeling in my arms and legs. Initially, I was really panicked but I didn't try to move and quickly the referee stopped the game.

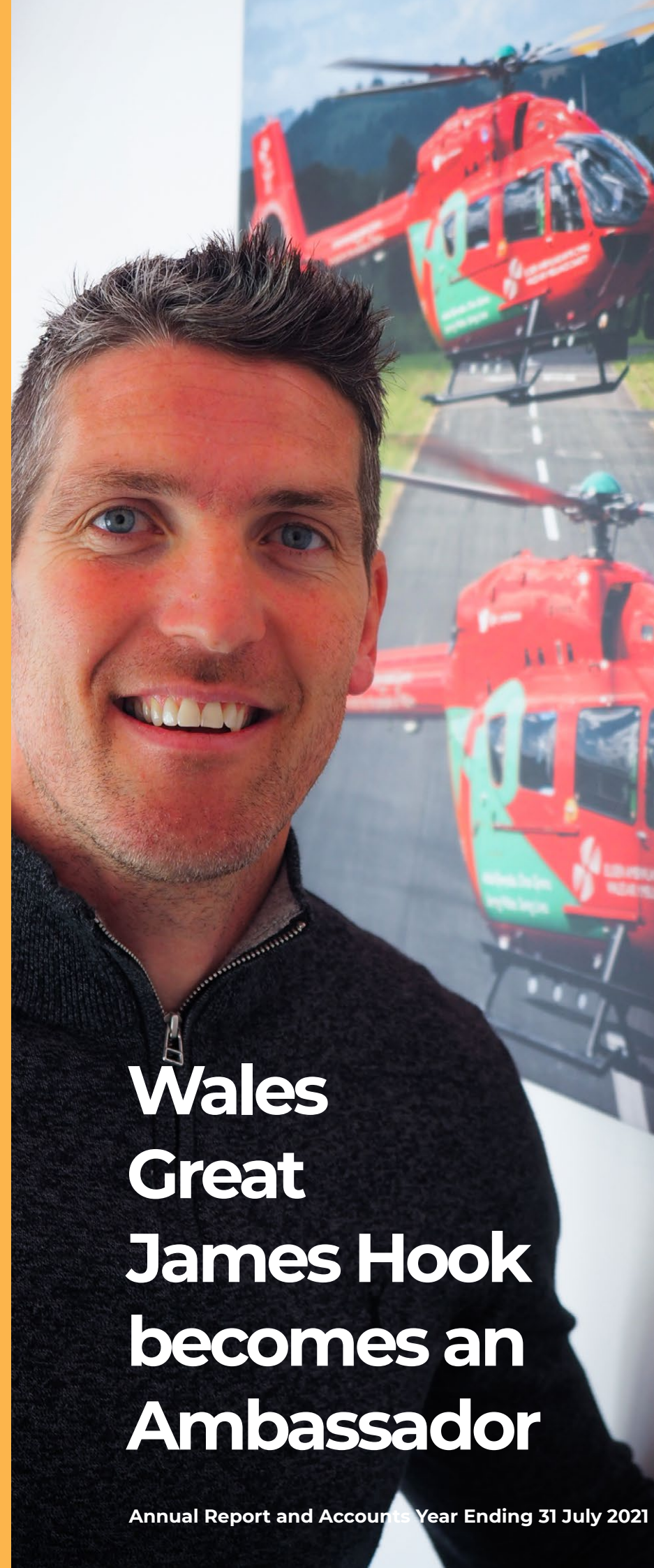
"My first thought was 'oh dear!', and definitely 'something's wrong'. Having had my fair share of bumps, I knew that this was different. The flight was surprisingly quick and not quite as scary as I thought it would be. I was constantly monitored throughout the flight. Looking back, I think about how simple it was and that it could have been so much worse."

The Wales Air Ambulance crew that day were paramedics Mark Winter and Paul Haddow, and pilot Steve Rush. Mark Winter still works with the service today as its Operations Director. The crew were sent to the rugby club for its first mission by Brian Knoyle, who worked for the Ambulance Service Control, after it was feared Neil had a broken back. Mark Winter said: "When we got there, we immobilised

Neil, kept him warm, put him onto patient monitoring and provided the reassurance he no doubt would have wanted at that time. We then transported him, by air, to Morriston Hospital. Neil was a first-class patient and thankfully the journey was uneventful."

Despite his injuries, Neil, who runs his own property maintenance company, returned to the sport.

Being the first patient is a story that he can always tell. Speaking on how he feels having that title, he said: "I'd have to say very grateful. Thankfully my injury at the time wasn't as bad as it could have been but the care I received was amazing."



Wales Great James Hook becomes an Ambassador

In April 2021, former rugby international James Hook became a Wales Air Ambulance ambassador. Over the last 20 years, James has had several interactions with our service, supporting our fundraising work along the way.

James, who made 6 appearances for the British and Irish Lions on the 2009 tour of South Africa and won 81 caps for Wales said: "I'm delighted to become an ambassador for the Wales Air Ambulance. It's a cause that's close to my heart as they attended my eldest son just over 10 years ago when he became very ill. I think it's an amazing Charity and you don't know how important it is until you need it. I was also at the scene of the Charity's first-ever mission at Glynneath Rugby Club 20 years ago.

"It's incredible to see how far it's come over the last 20 years and it's a huge honour to be involved with their lifesaving work."

Sue Barnes, Wales Air Ambulance Chief Executive, said: "We are delighted to welcome James to the Charity as one of our ambassadors, especially during our milestone anniversary. James has first-hand experience of the essential work that our Charity does, 24/7, for the people of Wales.

"Our ambassadors, who volunteer their time, play a vital role in helping us to reach new people, inspiring fundraising opportunities and activities, and thanking our supporters and employees for the incredible work that they do. These are all vital for our Charity as we strive to raise £8 million every year to maintain our helicopter operation."

Fundraising Stories

The following stories refer to a small number of the fundraising activities undertaken on behalf of the Wales Air Ambulance Charity

Speedy Sanna Smashes Coast Path Record

Running the 186-mile Pembrokeshire Coast Path in just a matter of days seems like an impossible task – unless you're Sanna Duthie (pictured above) from Milford Haven. In May 2021, the ultra-runner became only the second person to complete the challenge, and in just 51 hours and 35 minutes, she knocked 13 hours off the previous record. Thanks to her determination, Sanna managed to raise an incredible

£3,851 for our charity. On finishing the challenge, a sleep-deprived Sanna said: "It has been amazing, the people and donations pulled me through."

Coffee Afternoon Raises £580

Jen Harris has been a dedicated Wales Air Ambulance volunteer since 2014, giving up her time to help in our Tywyn charity shop. On top of her volunteering, Jen and her friends held a coffee afternoon in May 2021 to raise vital funds for us. The sun shone during the successful coffee and cake event, which was held on

a communal grass area located between Ffordd Dyfrig and Awel Dyfi in Tywyn. Around 90 people attended the two-hour outdoor event and were treated to a variety of delicious cakes raising £580 for us.

Construction Company Show their Support

In 2021, Anglesey-based CMP Plant Hire LTD (part of the Fox Group) helped to promote Wales Air Ambulance by wrapping one of its trucks with our branding.



The construction company has created an unmissable red and white wrap for the large tipper truck raising awareness of our service to those passing on the road. Depot General Manager Geno Williams said: "We chose them as our sponsored charity as we understand how vital their lifesaving service is across Wales." As well as rebranding one of its tippers, the construction company also makes a monthly donation.



Jorgie's First Birthday Donation to Charity

Jorgie Faith Griffin, who was named Faith after the Wales Air Ambulance gave her family 'faith', celebrated her first birthday in July 2021 by giving back to the charity that helped her.

Jorgie's mum Lucy went into labour six weeks early whilst on holiday in Cornwall with her husband Andy and two other children. Andy spent 30 minutes with his newborn before having to leave, not knowing how long it would be until he could reunite with his wife and daughter. This is when our charity stepped in to transfer Jorgie back to the Royal Gwent Hospital where the family could be reunited. Reflecting on Wales Air Ambulance, Lucy said: "What the team do is truly amazing and magical. They all took part in saving my daughter's life and my mental health. Despite her difficult start to life, she is thriving."

Instead of gifts for Jorgie's first birthday, family and friends made donations to our charity raising over £300, because Jorgie 'has the best gift anyone could have – her life'.

Ethan's Legacy

The parents of 17-year-old Ethan Ross have raised tens of thousands of pounds in memory of the 'hugely popular and well respected' teen.

Ethan suffered a devastating brain injury after being hit by a car on the A55. Our medics flew Ethan to the Major Trauma Centre at the Royal Stoke University Hospital but, tragically, he died two days later.

During a time of unimaginable pain, Ethan's parents, Helen and Paul, called on the public to take part in the 'Move a Marathon for Ethan' fundraiser. The weekend event encouraged people of all ages to raise money by moving 26.2 miles in aid of our charity and Young Minds. Ethan's father, and brother Callum, both completed a marathon in Ethan's memory.

The family continue to raise money for us, carrying on Ethan's legacy.



With 2021 being another unusual year due to the pandemic, our virtual challenges continued to bring people together with one common goal – raising money for our lifesaving service.

To mark our 20th-anniversary year, fundraisers throughout Wales were given the opportunity to set themselves a challenge, task or activity related to the number 20, which was to be completed during March 2021.

Over 300 people took part in the 'My20' challenge raising over £25,000. Being able to choose your own challenge meant even more people could get involved.

One of our younger participants was seven-year-old bookworm Isla Wilson who raised £520 by reading 20 books in 20 days. The Ysgol Bancyfelin pupil loves reading books to her younger sister, Ailish, 4, and as part of her fundraiser, she read a variety of books in Welsh and English. Isla's favourite books during the challenge included 'When the World Made a Rainbow', 'Diwrnod Cyntaf Douglas Yn Yr Ysgol' and 'Dick Whittington'.



Olwen Davis, a grandmother from Monmouth also took on the challenge. Olwen, who loves to knit, made 20 premature baby hats as part of her fundraiser and raised £260.

Walk Wales

Castle to Castle

June 2021 saw the launch of our second ever 'Walk Wales' event where people of all ages enjoyed the task of getting their miles in, but with a twist.

The castle theme focussed on virtually walking the distances between Welsh castles, which included the I'm a Celebrity... Get Me Out of Here!! location Gwrych Castle.

The challenge allowed the walkers a chance to set themselves a target based on the number of steps they could achieve over a one-month period from the comfort of their own homes. Each target was the equivalent of a walk between iconic Welsh castles and could be achieved at home, in the garden or during exercise, taking the dog for a walk – and even going up and down the stairs!

With six distances to choose from, the successful annual event attracted many schools, groups, families and individuals. This included staff and pupils from Ysgol Penllwyn and Ysgol Penrhyncoch in Aberystwyth who raised £2,645. Headmaster Steffan Davies and teacher Bryn Shepherd set themselves the challenge of walking 50 miles in one day. The pupils from both schools were set the challenge to walk the virtual distance from Dinas Bran Castle to Caergwrle Castle.

Proving that Walk Wales could be virtually completed anywhere were Abertillery married couple Lawrence and Jules Morris. They raised £779 by 'walking Wales' from Cyprus. The duo clocked off more than 163 miles for the Charity, whilst staying at their second home in Pernera, south-east Cyprus.

Lawrence said: "We would encourage others to get involved with this fabulous charity whenever possible so they can keep providing this lifesaving service to our communities across the length and breadth of Wales 24 hours a day, 365 days a year."

The annual event raised a staggering £24,000. All participants received a locally made, sustainable medal and e-certificate for their efforts.

Dai's Story

In March 2021, Dai Davies was getting ready for bed when he suddenly collapsed and had a cardiac arrest.

When the Wales Air Ambulance crew arrived with its overnight critical care team – Dr Matt O'Meara, Critical Care Practitioner Marc Allen and pilot Nobby Norris – Dai started to come around and became agitated and wasn't breathing effectively.

They rapidly assessed him and found his oxygen levels were low and needed to take over his breathing. To do this they gave him a general anaesthetic and then placed him on a ventilator to breathe for him. The procedure is delicate, complex and time-critical. It is only possible outside of a hospital environment through the Wales Air Ambulance and the fact that we have experienced consultants on board. It is one of the many emergency department standard treatments that our charity is now able to deliver at the scene of an incident – improving the chances of survival and recovery.

Once the on-scene treatment was complete, Dai was airlifted directly to the cardiac centre at Morriston Hospital. The flight from his home in Neyland to hospital took just 25 minutes by air, a

journey that would have taken approximately 1 hour and 15 minutes by road.

The learning support assistant, at Haverfordwest High School, underwent surgery to have three stents put in and was discharged from hospital a few days later.

Speaking of the lifesaving service, Dai said: "I am forever grateful to the ambulance service and the Wales Air Ambulance for the work they did and to get me to the hospital as quickly as they did. I really appreciate everything they've done for me. If it wasn't for them, I wouldn't be here."

Jo Yeoman is a patient liaison nurse who works in partnership with the Wales Air Ambulance Charity. She said: "We are delighted to see that Dai is on the road to recovery. The Wales Air Ambulance Charity introduced an overnight helicopter in December 2020, making it a 24/7 service. Dai's story highlights the importance of having an air ambulance service that runs during the night as well as the day."



***"If it
wasn't for
them, I
wouldn't
be here."***

Anonymised Case Studies

Case 1

In the early hours of the morning, a young male passenger was thrown from his car as it hit a tree. Our critical care night team arrived on scene and rapidly assessed the patient, who was unconscious and not breathing. He was given a general anaesthetic and placed on a ventilator that could breathe for him. He was also losing large amounts of blood internally and needed resuscitating with a total of 7 units of blood products. A line was inserted into a large vein to be able to give the blood and medications quickly. With fractures in both arms and open fractures to his legs, he needed splinting. Our medics accompanied the patient via road ambulance to the Major Trauma Centre, monitoring him throughout. He spent one month in Intensive Care on life support and had several surgeries before being transferred back to his local hospital for rehabilitation.

The patient is now back home with his young family and continues in his long recovery. He hopes to return to work soon.

Case 2

A South Wales-based Wales Air Ambulance medical crew was called to the scene of a motorbike accident. A female had hit her head knocking her unconscious. Upon arrival, Welsh Ambulance Service paramedics were having to keep her airway open, and it was clear that she has sustained a significant head injury. To protect her brain from further injury, our critical care team gave her a general anaesthetic and connected her to a ventilator that would breathe for her. Requiring urgent care, the patient was flown to the Major Trauma Centre in just 30 minutes, as opposed to the 1 hour and 45 minutes it would have taken by road.

Once her major trauma needs had been met, she was transferred back to her local hospital's Intensive Care Unit in the same helicopter that had attended her incident. She was discharged home a month after her accident and has made a full recovery. This demonstrates the flexibility that the service provides – a primary response to an incident followed by inter-hospital transfers.

Case 3

In South Wales, a 13-year-old girl with a known bleeding disorder suddenly collapsed at home, suffered multiple seizures and became unconscious. When the Wales Air Ambulance medics arrived, she was awake but confused, and complaining of headaches. She then had further seizures so the critical care team decided to give her a general anaesthetic and attach her to a ventilator to protect both her airway and brain. The team monitored her closely whilst on route to hospital via road ambulance. They were able to bypass her local hospital and take her directly to the Specialist Centre for time-critical surgery to relieve the pressure on her brain. She spent a week in Intensive Care, sedated on a ventilator, but thanks to the early interventions of the Wales Air Ambulance medics and neuroprotective treatment she received, she was discharged home back to her family and is being closely monitored by specialists.

Case 4

In North Wales, a man was knocked off his bike and taken to his local hospital. The hospital identified that he had sustained serious chest and head injuries that required treatment at a specialist centre almost a 3-hour drive away. Fortunately, Wales Air Ambulance medics were able to attend which meant he was transferred swiftly and safely in just 30 minutes. The patient went straight into theatre and needed organ support on Intensive Care for over a month.

He was discharged home 40 days after admission and continues to make a steady recovery.



Wales Air Ambulance Strategic Review

At the beginning of 2021, the Wales Air Ambulance Charity (WAAC) started a full strategic review. The ongoing process is inclusive and, as well as the Charity's Trustees and Senior Management Team, it involves a large number of Charity employees who have been proactively involved in the extensive and in-depth research and planning. The views of all key stakeholders have been sought, including our supporters and volunteers, as well as our medical partners EMRTS Cymru and aviation partners Babcock Onshore. Other contributors include Welsh Health Boards, the Welsh Ambulance Services Trust and Welsh Government.

The resulting 2021-2026 WAAC Strategy has been developed in recognition of our evolution over the past two decades and our position as a prominent and respected Welsh charity. It also acknowledges that the global COVID-19 pandemic may have a significant and lasting impact on financial and social behaviours.

The Strategy's objectives take into account new pressures and demands, as well as embracing new service delivery models and advancements in emergency care. By undertaking a Strategy Review at this crucial point in time, we have recognised the need to build on our successes, ensuring that the building blocks for another next twenty years of service are in place.

The Charity's strategic objectives are informed by the results of the extensive research and stakeholder engagement that took place at the start of the process. They will be achieved through eight focused programmes under which will be a series of projects.

The eight programmes are as follows:

Youth Engagement – To deliver insightful youth engagement initiatives to impart knowledge, charity awareness, values and encourage future support.

Sustainability – To cultivate a long-term commitment to ethical practice, champion a green agenda and uphold our shared responsibility for future generations.

Retail – To operate a retail portfolio that strikes the right balance between generating income and preserving community presence.

Income – To ensure that we can continue to deliver our lifesaving service by cultivating, developing and maintaining a diverse portfolio of sustainable income streams.

Digital and Technology – To be a technology-enabled organisation that puts communication and connectivity at its heart.

People – To be a supportive organisation that is greater than the sum of its parts by fostering an inclusive and collaborative culture that values contributions, provides equality of opportunity, enables everyone to reach their potential, and ensures that everyone is treated fairly and with respect.

Service Delivery – To enable the delivery of 24/7 emergency department-standard care in a pre-hospital environment to the people of Wales, wherever and whenever it is needed. To ensure that the service is delivered in the most cost-effective manner, maximising the impact of our funds across the whole of Wales. Proactively seek out opportunities to improve patient care and outcomes.

Integrity and Transparency – To repay the trust that the people of Wales have placed in us by adopting the highest ethical standards, embedding sustainability and value for money in all that we do.

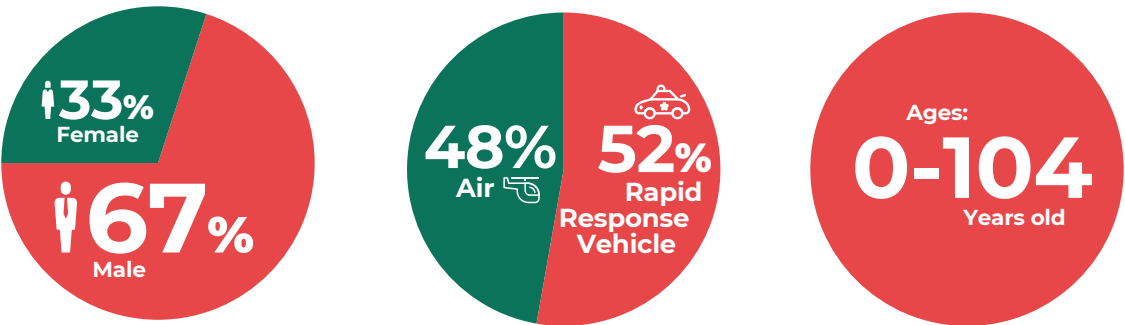
A clear message conveyed both internally and externally was the importance of the Charity's connection to Wales. Therefore, present through every single programme will be our commitment to the Welsh Identity. We will always recognise the unique relationship that we have with Wales while celebrating our national identity and ensuring our activities reflect the needs of all the different communities that we serve. One of the core values of Welsh Identity is inclusiveness – we are here for everyone within our country who needs our help.

Through the Charity's 2021-2026 Strategy, we believe that achieving our objectives will future-proof our organisation and vital lifesaving service for generations to come.

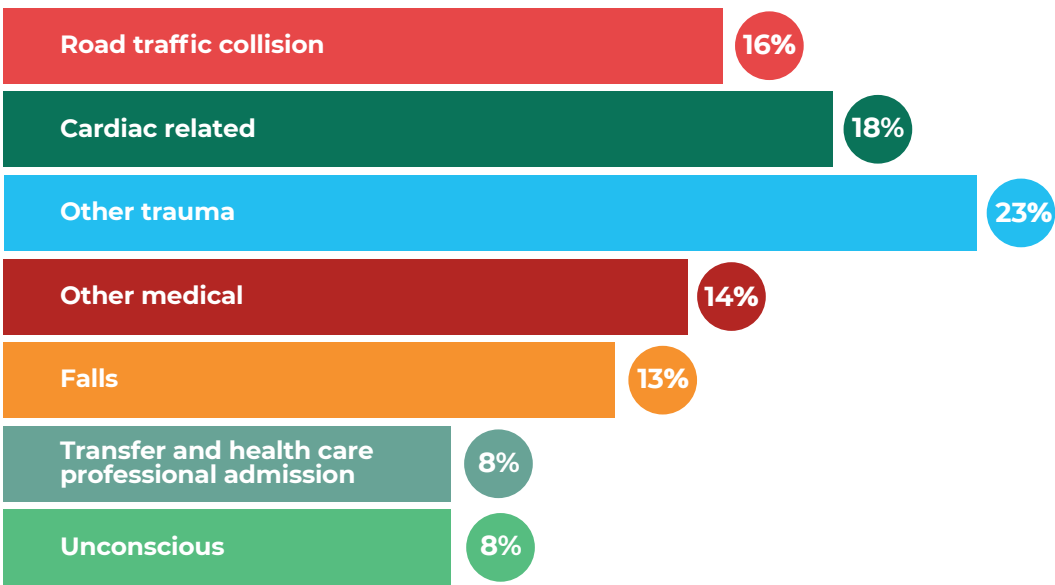


August 2020 – July 2021 Mission Data

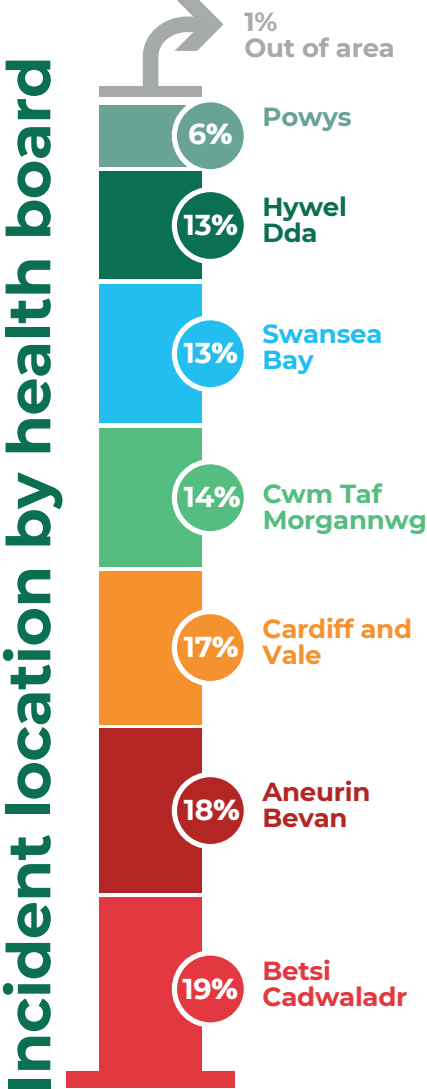
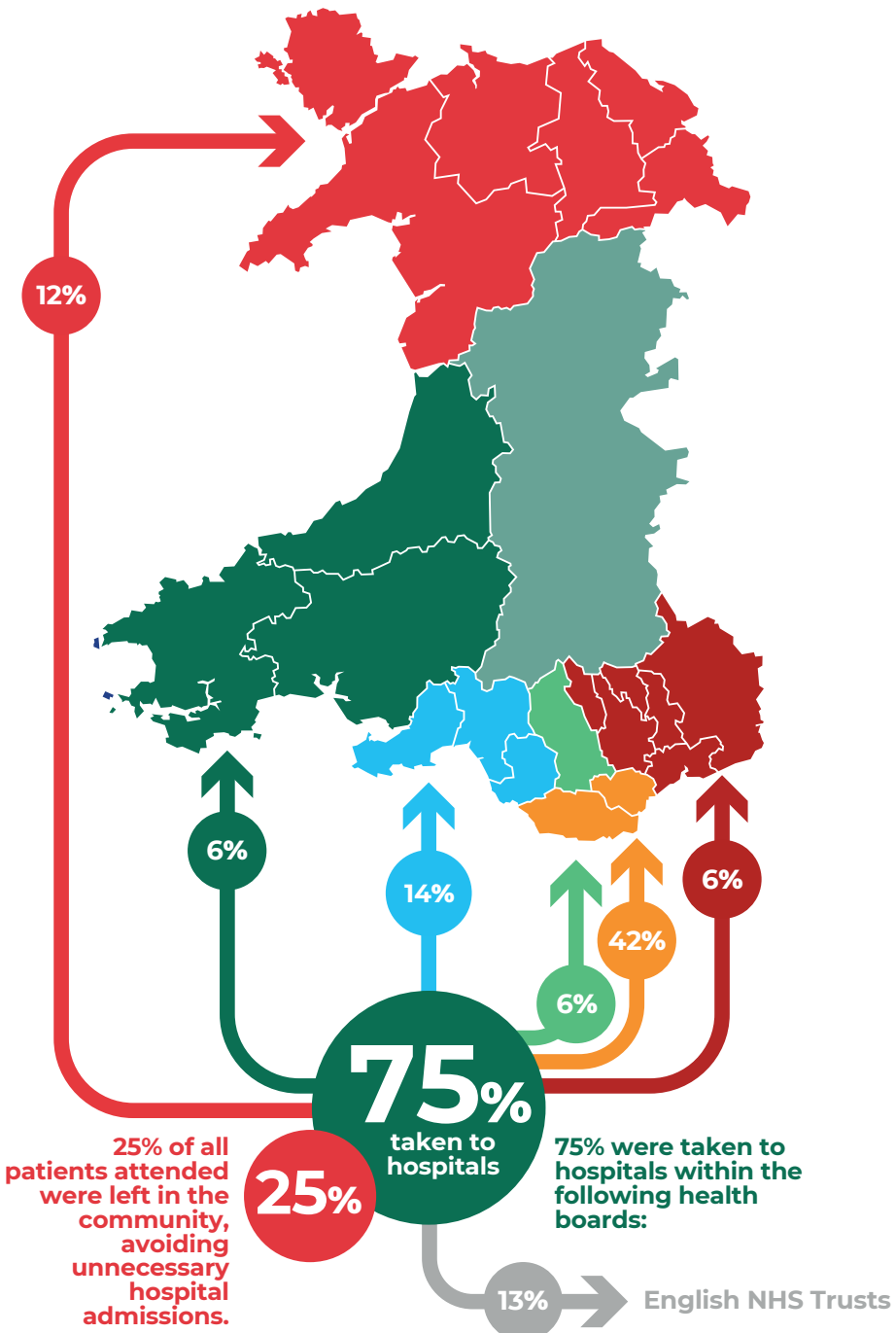
Total number of calls - **3591**



Cases attended by category



Patient Destinations



Financial Review

The financial outcome for 2020/21 is set out in the consolidated statement of financial activities on page 42. The analysis below has been produced to simplify the financial statements and show how much The Welsh Air Ambulance Charitable Trust (WAACT) actually spends on its operations each year and how it is funded.

Financial Analysis

The result for 2020/21 was a surplus of £1.86 million (before gains on investments), reflecting the immense support that WAACT has had over the year despite the ongoing challenges presented by the pandemic.

Total net income decreased by £958,000 whilst the cost of generating income and the spend on

INCOME	2020/21 £000s	2019/20 £000s	CHARITABLE SPEND	2020/21 £000s	2019/20 £000s
Donations	1,978	2,660	Helicopter Operational Costs	6,922	5,781
Legacies	3,700	3,921	Helimed 67 Staff and		
Lifesaving Lottery	5,747	5,624	Consumable Costs	211	206
Retail (net)	(1,130)	(955)	Critical Care Hub	-	83
Coronavirus Retail			Airbase Costs	92	127
Premises Grants	241	315	Medical Trauma Resilience		
CJRS Grant Income	298	334	Management Training	9	2
Trading (net)	26	(34)	Depreciation of Assets	73	107
Treasury Donation	-	60	Support Costs	110	147
Other	110	3	Total Charitable Spend	7,417	6,453
Total net income	10,970	11,928			
Cost of generating income	2,237	2,004			
Net income available for charitable spend	8,732	9,924			
% of net income available for charitable spend	80%	83%			

Income Available for Charitable Spend

2020/21 was the first full reporting year to be impacted by the pandemic (previous year was impacted only from March 2020), and this was the main contributor to the 8% fall in net income.

As in the final few months of 2019/20, donations were down between 35-55% throughout the year compared with pre-pandemic levels, as many face-to-face fundraising activities were not able to take place. Income from legacies (gifts in wills) was impacted to a lesser extent by the pandemic, and despite a 6% fall on 2019/20, income reached £3.7m in 2020/21, the second highest in the Charity's 20-year history.

Our retail income fell significantly as we closed our stores on multiple occasions in accordance with government restrictions. We were, however, able to benefit from one-off grants to support the ongoing delivery of our service during the year, including the Government's furlough scheme and Non-Domestic Rates (NDR) linked grants, amounting to a combined total of £539,000.

Our largest source of income continues to come from the Lifesaving Lottery, which accounted for over 52% of the total net income generated in the year. Lottery income was forecast to increase by nearly 10% but fell well short, a consequence of the suspension of canvassing activity in the latter stages of 2019/20 and middle of 2020/21, as we remained reactive to the pandemic and the associated guidance from both the Government and the Fundraising Regulator.

Charitable Spend

Charitable spend in the year increased by 15%. This was driven by the increased aircraft activity which led to our operational costs rising by £1.1m (20%). There were a total of 1,867 missions undertaken by air during the year, 29% more than in the prior year (1,445). The increase in missions was driven by a number of factors, most notably the extension of operational hours and fewer Government lockdown restrictions in place for the most part of the year. In December 2020, the Charity commenced its night service from Cardiff, in turn providing the people of Wales with a 24/7 service by air and road. In the eight months to July 2021, over 140 missions were carried out by air between the hours of 7pm and 7am.

Our medical operation is coordinated and tasked centrally via the Critical Care Hub based at the Welsh Ambulance Service headquarters in Cwmbran. Funding of the Critical Care Hub passed back to the Welsh Ambulance Service in April 2020 allowing the Charity to focus more of its funds on the provision and maintenance of its aircraft.

WAACT continued to fund the provision of clinicians on board the Charity's transfer aircraft (Helimed 67) operating out of Cardiff Heliport, amounting to a total expenditure of £211,000 in 2020/21. This service provides expert care for some of Wales' youngest patients. Our crews airlift paediatric and neonatal patients to and from specialist hospitals across the UK, as well as providing vital air cover on emergency missions.

Financial Resources

	2020/21 £000s	2019/20 £000s
Net income less charitable spend	1,315	3,470
Payments to acquire fixed asset investments	(900)	2,400
Decrease in cash in investments	(27)	13
Add back depreciation of Fixed Assets	213	283
Purchase & Disposal of Fixed Assets	(99)	(104)
Stock (increase)/decrease	20	9
Debtors (increase)/decrease	(822)	(2,155)
Creditors (increase)/decrease	499	(404)
Cash at bank increase	200	1,314

Bank holdings increased by £200,000 in the year. £900,000 of the £1.32 million surplus was added to the Charity's investment portfolio managed by Brewin Dolphin.

Debtors increased by £822,000, largely due to the increase in legacy debtors, which again highlights the fantastic support the Charity is receiving from gifts left in wills.

Our Funds

The Charity held a number of funds (reserves) as at 31 July 2021, the total of which was £13.8 million (2019/20: £11.9 million). These comprised:

All figures in £000s	2021/22	2020/21
Restricted Funds	16	43
Designated Funds:		
<i>Tangible Fixed Asset Fund</i>	1,459	1,546
<i>Night Flying Fund</i>	743	1,704
General Funds	11,548	8,618
Total Funds	13,768	11,911

Designated Funds

These reserves represent funds that have been designated for a particular purpose by the Trustees.

Designated funds is made up of:

Tangible Fixed Asset Fund

This is largely made up of the Charity's owned airbase and charity offices in Llanelli.

Night Flying Fund

The Charity realised its long term objective to provide a 24/7 service for the people of Wales in December 2020. This fund was set up to support the additional costs of night flying.

Restricted Funds

These are funds that can only be used for particular purposes as specified or agreed by the Donor. Most restricted funds relate to donations or legacies to be spent on a specific aircraft/airbase and are spent during the year in which they are received.

General Funds

These are the reserves remaining when restricted and designated funds are excluded from the total amount. General Funds are held so that the Charity can continue its operations in the event of an unforeseen shortfall in voluntary income or increase in costs.

Reserves Policy

All charities are required to consider how much money they need to hold in reserves. The extent varies depending on the scale and nature of the charity's activities.

Wales Air Ambulance's reserves policy aims to balance the need to maximise service delivery for given income, whilst managing financial risk and income volatility.

This policy is reviewed annually by the Finance Committee, and subsequently reviewed by the Board of Trustees.

WAACT provides an air ambulance operation for the people of Wales and to fund this service, we rely on a number of fluctuating income streams including donations and legacies.

To enable us to provide our lifesaving service in the future, we need to maintain a level of free reserves so that we can continue our operations in the event of an unforeseen shortfall in voluntary income or increase in costs. This is known as our target reserves.

The Trustees consider the following factors in order to determine an appropriate target level of free reserves:

- The Charity has many different income streams all of which have varying levels of volatility.
- Expenditure is generally predictable, with a very high proportion of fixed costs.
- The future strategic plans of the Charity over the medium to long term.

An assessment of the risk of a shortfall in the Charity's income or an increase in expenditure is undertaken annually, and a sum is held to cover the potential shortfall for each element of income and expenditure.

The risk weightings range from 0% to 25% depending on the nature of the activities, and have been carefully reviewed in the year to ensure they remain appropriate.

Target Reserves Level

Based on these calculations, the Trustees estimate that a total of £10.6 million of target reserves is required. This equates to approximately 15.9 months charitable expenditure, however, we anticipate aviation-related costs increasing significantly beyond the end of the existing aviation contract and thus £10.6m will reflect approximately 9.8 months operational expenditure from 2024 onwards.

Variance to Reserves Level

If reserves exceed 125% of target, management should prepare a plan of action, to be approved by Trustees within three months, to restore them to the target level. Likewise, if reserves are lower than 75% of target, management should prepare a plan, to be approved by the Trustees within three months, to restore them to the target level.

Going Concern

Despite the impact of the pandemic on fundraising activity, through a combination of a diverse income portfolio and close control of costs, the Charity has been able to further improve its cash and reserves position to a level that aligns with its reserves policy.

Cash and reserves are monitored closely, with detailed short and long term forecasts prepared annually and regularly reviewed and updated to ensure the long term financial viability of the Charity. It is based on these that the Trustees believe the going concern basis of accounting remains appropriate. Significant rises in fuel and energy costs are driven in part by the crisis in Ukraine, as well as a potential fall in donations due to an increased cost of living.

The Charity has a strong balance sheet with unrestricted funds of £11.75m. Any shortfall in income over the next 12 months can be covered by the Charity's cash reserves and investment funds, which total £4.5m and £3.7m respectively.

How We Invest Our Funds

The Trustees are permitted by the Charity's Articles of Association to invest any money not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Restricted and Designated Reserves (excluding the Tangible Fixed Asset Fund) are held as cash investments/deposits, whereas the General Reserves are held in a variety of investments according to the following policy.

Investment Policy

The objectives are to achieve capital growth, adopting a moderate risk approach and complying with the Trustee Investment Acts.

The investments are managed by independent investment managers, Brewin Dolphin Limited, appointed by the Trustees. These investments mainly comprise UK and international equities and fixed interest securities. The Trustees rely upon specialist advice for manager selection and allocation. The performance of our investment advisers and our investment portfolio is monitored by the Finance Committee.

We have adopted an ethical investment policy to ensure that our investments do not conflict with our aims and support Wales Air Ambulance's values as much as possible. Our investment managers actively monitor and engage with the companies in which they invest from an environmental, social and governance (ESG) perspective, using proprietary research, engagement and voting rights to influence change.

Investment managers have also been instructed not to invest directly in any organisation where more than 10% of turnover is derived from the manufacture or distribution of alcohol or tobacco.

A company's response to a material allegation of a breach of child exploitation conventions must be graded at least 'robust' in nature by VigeoEIRIS to justify retaining it within the portfolio.

The Trustees do not have a specific target level of income and income generated is currently reinvested in the portfolio. The Charity has agreed a long-term time horizon for its investments and is able to weather short-term volatility in order to meet its long-term objectives. The level of investment risk taken is reviewed regularly in conjunction with our investment advisers and has been appropriately mitigated by apportioning the funds into a well-diversified balanced portfolio.

The Investment policy is reviewed by the Board annually and is regularly reviewed by the Finance Committee.

Performance

The value of the investments rose by £544,558 to £3.7m over the financial year, a rise of 25.41% as compared with the benchmark rise of 18.86%. The portfolio suffered one of the sharpest falls in stock market history in February and March 2020, 'pricing in' a recession caused by the COVID-19 crisis. Thankfully, whilst the sell-off was one of the sharpest on record, so was the subsequent recovery. The portfolio rebounded strongly as unprecedented levels of economic support were provided by central banks and governments, and the development and rollout of an effective programme of vaccinations allowed a return to a more normal economic environment.

Governance

Structure and Management

Welsh Air Ambulance Charitable Trust is a charitable company limited by guarantee and governed by its memorandum and articles of association. The Board of Trustees has overall responsibility for the direction, management and control of Welsh Air Ambulance Charitable Trust. Some of these responsibilities are delegated under defined terms of reference to the Trustee Board committees.

Board of Trustees

Members of the Board of Trustees are also directors of the Charity for the purposes of company law. There is currently no upper limit to the time that an individual can be a Trustee but one-third of all Trustees are required to retire by rotation each year and, if willing to continue, offer themselves for re-election. The Trustees to retire by rotation are those who have been longest in office since their last appointment or reappointment.

Trustees are selected for their abilities to make an effective contribution to the Charity. A skills audit is carried out at least once every three years, and recruitment of new Trustees is based on those skills gaps identified. The skills matrix includes: clinical, finance, legal, public relations, aviation, fundraising, HR management, strategic planning and governance. The Charity also strives to ensure we have representation from all across Wales.

All new Trustees undertake an induction programme, which includes visits to airbases where they are given the opportunity to meet with some of the operational team and learn more about the service and aircraft, coverage of the Charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management. Trustees meet with the Chief Executive, members of the Senior Management Team and other relevant parties. Trustees are also provided with peer support via another Board member for the first year to ensure they have a direct point of contact for further support. Additional training is arranged as required for individual Trustees or for the Board as a whole.

Each Trustee is required to disclose actual or potential conflicts of interest to the Charity as part of the annual review and at the start of every meeting.

Board Committees

Some of the main Board responsibilities are delegated under defined terms of reference to Trustee Board committees, of which there are currently three. Each of these committees currently consist of at least two Trustees, one of whom is elected as Chair person, and a member of the Senior Management Team. Meetings are held a minimum of three times per year. A summary of the role and purpose of each committee is provided below.

HR and Organisation Development

The overall purpose of the Committee is to actively initiate, help develop, monitor and evaluate the strategic Human Resources and the Organisation Development actions and policies that will enhance and embed WAACT's reputation as an employer, and enable WAACT to recruit, develop, engage and retain skilled staff, volunteers, and Board members/Trustees.

Finance

The Finance Committee's role is one of strategic direction and oversight of the organisation's finances and investments. The Committee considers and reviews all financial aspects of charity operations so as to ensure the short and long-term viability of the Charity. The Committee also reviews the findings of the external auditors including recommendations regarding improvements to the system of internal control.

Aviation

The Committee oversees all aviation aspects of charity operational facilities and bases as well as the Charity's aviation-related strategic direction. The Committee provides recommendations to the main Board regarding the aviation services, contract and research and development.

Senior Management Team

The Senior Management Team, made up of the individuals listed below and led by the Chief Executive, are responsible for the day-to-day leadership and running of the Charity and the execution of the strategy and policies decided by the Trustee Board.

The Senior Management Team comprises:

- Chief Executive Officer
- Director of Finance
- Director of People & Organisational Development
- Director of Strategic Communications & Engagement
- Head of Infrastructure Services
- Head of Fundraising
- Head of Retail
- Head of Policies, Performance and Projects
- North Wales Development & Engagement Lead

The remuneration of the Senior Management Team is reviewed by the HR & Organisational Development Committee and recommendations provided for the wider Board approval. In setting staff remuneration, the Trustees benchmark against other similarly sized charities and, where necessary, private sector organisations. The Board also reviews on an annual basis an organisation-wide cost of living increment to staff pay.

Board Review

As previously reported, the Board has adopted the principles of good Governance in the Charity Good Governance code. The Board intend to undertake a review of its effectiveness to identify any improvements to the Board's governance and ways of working in 2022.

Our Auditors

Our auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Public Benefit

The Wales Air Ambulance Charity's purposes are the relief of sickness and injury and the protection of human life by the provision and support of air ambulances and road vehicles in Wales. Our service is delivered through a partnership with EMRTS (Emergency Medical Retrieval and Transfer Service), whose medics are conveyed to the scene of the emergency by our helicopters and rapid response vehicles.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The Wales Air Ambulance Charity works independently of government and relies on donations to meet the cost of providing this public service.

Risk Management

The Charity has in place a Risk Management Policy, which provides a structured approach to risk management. The objective of the policy is to provide a framework to:

- Define Responsibilities
- Identify Risks
- Assess Priority Risks
- Develop Mitigating Strategies and Actions
- Monitor and Review Risk Activities
- Communicate and Report Risks

All identified risks are recorded in the risk register. The Senior Management Team and Board of Trustees regularly review the risks to which the Charity is exposed to and ensure systems and actions are in place to mitigate these risks.

Each risk has an owner responsible for the mitigation strategy. The key elements of the mitigation strategy are noted on the risk log with summary associated comments. In addition, if a risk has been delegated to a specific committee of the Trustee Board, this is also captured.

The most significant risks currently

Risk	Mitigation Implemented
Service operations	
Disruption (whether short, medium or long term) in the service availability of the aircraft resulting from technical fault, accident, grounding of all similar aircraft or supplier failure.	<ul style="list-style-type: none"> • Contractual arrangements and monitoring of supplier performance and provision. • Availability of back-up aircraft. • Access to and utilisation of rapid response vehicles.
People	
Risk that we are unable to attract, develop and retain the talent and experience we require to fulfil our objectives and deliver our new 5-year strategy.	<ul style="list-style-type: none"> • Introduction of a competency framework and a robust appraisal process. • Robust management training programmes and the development of a suite of learning opportunities. • Regular staff and volunteer engagement surveys undertaken with appropriate feedback mechanisms.
Financial sustainability	
Insufficient funds due to reduction in income and/or cost-effectiveness challenges. The risk of income shortfalls have been increased due to the impact of the pandemic and rising cost of living putting added pressure on disposable incomes.	<ul style="list-style-type: none"> • Careful management and planning of financial reserves, with regular reviews of short and long term forecasts. • Increased engagement with supporters to develop stronger longer-lasting relationships. • Continue to drive value for money through procurement, most notably in relation to the re-procurement of the Charity's aviation contract in 2022.
Governance and compliance	
Failure to implement effective governance leads to poor decision making and the failure to achieve strategic and regulatory objectives, exposing the Charity to legal and reputational risk.	<ul style="list-style-type: none"> • Charity's Board works closely with the Senior Management Team, monitoring progress on strategic objectives set. • A new compliance framework will be designed as part of the Charity's Integrity and Transparency strategic programme. • The Board and Senior Management Team regularly review company policies, terms of reference and scheme of delegation.

Statement of Trustee Responsibilities

The Trustees (who are also the directors of Welsh Air Ambulance Charitable Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charity Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 19th April 2022 and signed on the Board's behalf by:

DAVE GILBERT OBE –
TRUSTEE, CHAIR

DR KYLE JACQUES –
TRUSTEE, VICE-CHAIR



Independent Auditors' Report

Independent Auditors' Report to the members and Trustees of Welsh Air Ambulance Charitable Trust

Opinion

We have audited the financial statements of Welsh Air Ambulance Charitable Trust (Limited by guarantee) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company balance sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standards 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2021 and of the Group's and Charity's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that individually or collectively, may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The Trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustee's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities set out on page 34, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - management override of controls
- Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our Report

This report is made solely to the Group's and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Henry Lloyd-Davies (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants And Statutory Auditors
Cardigan House, Ground Floor, Castle Court,
Swansea Enterprise Park,
Swansea
SA7 9LA

Date:.....

Financial Statements

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Restricted Funds £'000	Unrestricted Funds £'000	Total 2021 £'000	Total 2020 £'000
INCOME					
Donations and legacies	3	629	5,588	6,217	7,230
Other Trading activities	4	-	6,831	6,831	7,213
Income from charitable activities		-	-	-	-
Investment income	7	-	94	94	70
Other income		-	16	16	3
Total Income		629	12,528	13,157	14,516
EXPENDITURE					
Expenditure on raising funds	9	(298)	(4,127)	(4,425)	(4,594)
Expenditure on charitable activities	10	(358)	(7,059)	(7,417)	(6,454)
Total resources expended		(656)	(11,186)	(11,842)	(11,048)
Net gains/ (losses) on investment		-	545	545	(167)
Net incoming resources		(27)	1,887	1,860	3,301
Transfer between funds		-	-	-	-
Gains and losses on revaluation of fixed assets	16	-	-	-	(2,481)
Less Taxation		-	(5)	(5)	2
Net income after tax		(27)	1,882	1,855	822
Fund balances brought forward	22	43	11,868	11,911	11,089
Fund balances carried forward		16	13,750	13,766	11,911

All activities are continuing operations. There are no other gains or losses for the financial year.

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2021

	Notes	GROUP 2021 £000	CHARITY 2021 £000	GROUP 2020 £000	CHARITY 2020 £000
FIXED ASSETS					
Tangible assets	16	1,466	1,413	1,579	1,527
Investments	17	3,718	3,718	2,246	2,246
		5,184	5,131	3,825	3,773
CURRENT ASSETS					
Stock	18	86	36	107	51
Debtors	19	5,409	5,448	4,587	4,743
Cash at bank and in hand		4,521	4,475	4,322	4,261
		10,016	9,959	9,016	9,055
CREDITORS: Amounts falling due within one year	20	(1,431)	(1,342)	(931)	(890)
NET CURRENT ASSETS		8,585	8,617	8,085	8,165
PROVISIONS FOR LIABILITIES	21	(3)	-	-	-
TOTAL NET ASSETS		13,766	13,748	11,911	11,938
FUNDS					
Unrestricted Funds	22	13,750	13,732	11,868	11,895
Restricted Fund	22	16	16	43	43
		13,766	13,748	11,911	11,938

These financial statements were approved by the Board of Trustees on 19th April 2022 and signed on its behalf by:

DAVE GILBERT OBE –
TRUSTEE, CHAIR

DR KYLE JACQUES –
TRUSTEE, VICE-CHAIR

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Group		Charity	
		2021 £000	2020 £000	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	1	1,116	1,131	1,126	1,117
Cash flows from investing activities					
Deposit Interest received		48	47	48	47
Investment Income		46	23	46	23
Sale of fixed assets		14	-	14	-
Payments to acquire tangible fixed assets		(99)	(104)	(94)	(88)
Payments to acquire fixed asset investments		(900)	(2,400)	(900)	(2,400)
Cash used in investing activities		(891)	(2,434)	(886)	(2,418)
Increase in cash in investments		(27)	(13)	(27)	(13)
Increase/(Decrease) in cash and cash equivalents in the year		198	(1,316)	214	(1,314)
Cash and cash equivalents at the beginning of the year		4,323	5,638	4,261	5,575
Cash and cash equivalents at the end of the year		4,521	4,322	4,475	4,261

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Net Income	1,855	822	1,810	856
Deposit Interest Received	(48)	(47)	(48)	(47)
Investment Income	(46)	(23)	(46)	(23)
(Gains)/Losses on Investment	(545)	167	(545)	167
Gains and Losses on Revaluation of Fixed Assets	-	2,481	-	2,481
Depreciation of Tangible Fixed Assets	213	283	208	282
(Profit)/Loss on Disposal of Fixed Asset	(14)	-	(14)	-
Tax Payable	3	(2)	-	-
	1,418	3,681	1,365	3,716
Working capital movement				
Decrease/(Increase) in Stock	21	9	14	(12)
Decrease/(Increase) in Debtors	(822)	(2,155)	(705)	(2,175)
(Decrease)/Increase in Creditors	499	(404)	452	(412)
	(303)	(2,550)	(239)	(2,599)
Net Cash Inflow/(Outflow) from Operating Activities	1,116	1,131	1,126	1,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1. STATUTORY INFORMATION

Welsh Air Ambulance Charitable Trust is a company limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

2. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

b) Basis of Consolidation

The consolidated accounts of the Group incorporate the accounts of the Charity and its subsidiary undertaking, both of which were prepared to 31 July 2021. The trading results of the subsidiary undertaking are consolidated on a line-by-line basis within the consolidated statement of financial activities (SOFA). A separate SOFA for the Charity is not presented as permitted by the SORP and the Companies Act 2006.

c) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes falling in future time periods.

Restricted funds are funds subject to specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming Resources

Incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the income can be quantified with reasonable accuracy.

1) Grant Income

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant received before the recognition criteria are satisfied is recognised as a liability.

2) Lottery Income

Lottery income is recognised after the weekly draw has taken place. A deferred income liability is recognised to account for the balance of those members paying in advance of future draws.

ACCOUNTING POLICIES (Cont'd)

3) Legacy Income

Legacies are accounted for as incoming resources once the three factors of entitlement, probable and measurement has been met so long as notification has been received from a representative of an estate prior to the year end.

Charities which receive a significant number of legacies in a reporting period and have detailed historical information on the settlement of legacies may apply an estimation technique in measuring the value of legacies that are recognised to allow for potential variation in settlement values and the risk of a will being contested.

Income Recognition of Legacies

Residuary legacies have been recognised using a case-by-case basis, when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator.

4) Fuel Sales

Fuel sales are recognised to the extent that it is probable that the economic benefits will flow to the company and the fuel sales can be reliably measured. Fuel sales are measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value-added tax and other sales taxes.

5) Other Heliport Income

Revenue from services, such as hanger rental and landing fees, is recognised when the service has been provided and the right to consideration has been earned.

6) Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to capital are recognised over the asset's useful life. During the year the following government support was received during the ongoing pandemic:

7) Furlough Grants

Furlough grants received have been accounted for as grant income under Section 24 Government Grants. Assistance by government in the form of a transfer of resources to an entity in return for past or future compliance with specified conditions relating to the operating activities of the entity.

	£000
Job Retention Scheme Furlough Grants	298
	<u>298</u>

e) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis as a liability is incurred, including irrecoverable VAT. Cost of raising funds comprises direct costs associated with attracting grant income, being the proportion of time spent for direct headcount costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities, both costs directly attributable and indirect support costs. Governance costs include those costs associated with meeting constitutional and statutory requirements, principally accounting / audit and AGM expenses.

All costs allocated between expenditure categories are on a basis designed to reflect their resource usage. For some costs this means direct allocation to activities, other costs are apportioned, e.g. by staff time spent on an activity, or another equitable usage measure.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Buildings	2% on cost straight line
Motor Vehicles	25% on cost straight line
Fixtures & Fittings	25% on cost straight line
Office Equipment	15% on cost straight line
Plant & Machinery	25% on cost straight line

Assets below £250 are not capitalised, but included within expenses.

g) Holiday Pay

Employee benefits such as short-term compensated absence arising from employee entitlement to paid annual leave are recognised in line with FRS 102.

h) Pensions

The pension costs charged in the accounts represent the contributions payable to money purchase pension schemes by the Charity during the year.

i) Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j) Investments

Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the Trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

k) Stock

Stocks are valued at lower of cost and net realisable value after making allowances for obsolete and slow-moving items. Donated goods with a valuation over £50 per item have been included in the stock balance.

l) Debtors

Short term debtors are measured at transaction price, less any impairment.

ACCOUNTING POLICIES (Cont'd)

m) Cash at Bank and In Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Short term creditors are measured at transaction price.

o) Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

p) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

q) Operating Leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Details of operating lease commitments are as shown in note 25.

r) Provision for Liabilities

Provisions are recognised when the Company has a present obligation (legal and constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

s) Related Party Transactions

The Trustees have taken advantage of the exemption in FRS 8 paragraph 3(c) and have not disclosed related party transactions with its wholly owned subsidiary undertaking.

t) Functional and Presentation Currency

The Company's functional and presentation currency is pounds sterling.

u) Going Concern

Despite the impact of the pandemic on fundraising activity, through a combination of a diverse income portfolio and close control of costs, the Charity has been able to further improve its cash and reserves position to a level that aligns with its reserves policy.

Cash and reserves are monitored closely, with detailed short and long term forecasts prepared annually and regularly reviewed and updated to ensure the long term financial viability of the Charity. It is based on these that the Trustees believe the going concern basis of accounting remains appropriate. These forecasts have factored in significant rises in fuel caused by the crisis in Ukraine, as well as a continued shortfall in donations caused by the pandemic and increased cost of living.

The Charity has a strong balance sheet with unrestricted funds of £11.75m. Any shortfall in income over the next 12 months can be covered by the Charity's cash reserves and investment funds, which total £4.5m and £3.7m respectively.

ACCOUNTING POLICIES (Cont'd)

v) Financial Instruments

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other Financial Assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of Financial Assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

w) Critical Accounting Estimates and Assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below;

Legacies

Income recognition of legacies

Residuary legacies have been recognised using a case by case basis, when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator.

Provisions

Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

3. DONATIONS & GIFTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Donations	1,709	269	1,978	2,660
Legacies	3,638	62	3,700	3,921
CJRS Grant Income	-	298	298	334
Coronavirus Premises Grants	241	-	241	315
	5,588	629	6,217	7,230

Restricted donations includes a £58,300 grant from WCVA: Third Sector Resilience Fund for Wales Phase 2.

4. OTHER TRADING ACTIVITIES

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Lifesaving Lottery	5,747	5,624	5,747	5,624
Donated Goods	612	1,237	612	1,237
Cardiff Heliport	403	242	-	-
Caffi HEMS	64	86	-	-
Merchandise	5	24	-	-
Other	-	-	-	-
	6,831	7,213	6,359	6,861

*Cardiff Heliport income does not include rent paid by the Charity to the Trading Subsidiary as this has been eliminated on consolidation of the accounts.

5. NET (OUTGOING)/INCOMING RESOURCES ON ORDINARY ACTIVITIES AFTER CHARGING

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Depreciation	213	283	208	282
Other operating leases	56	91	56	91
Auditors' remuneration - audit	15	14	12	10
-other services	-	-	-	-
AND AFTER CREDITING				
Surplus on sale of fixed asset	14	-	14	-

6. DEFINED CONTRIBUTION PENSION SCHEME

The Charity operates a defined contribution pension scheme; the assets being held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £91,000 (2020: £84,000).

7. INVESTMENTS

	Unrestricted 2021 £'000	Restricted 2021 £'000	Unrestricted 2020 £'000	Restricted 2020 £'000
Group				
Listed Investment Income	46	-	23	-
Bank Deposit Interest	48	-	47	-
	94	-	70	-

8. TAXATION

Group

A corporation tax liability of £1,748 arose in the trading company (2020: tax refund £1,766).

Charity

As a registered charity, there is no liability to tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992, in so far as these are applied to the Charitable objects of the Charity.

9. EXPENDITURE ON RAISING FUNDS

	Direct Costs £'000	Support Costs Allocated £000	Total 2021 £'000	Total 2020 £'000
Donations & Legacies	696	307	1,003	1,142
Lifesaving Lottery	1,142	61	1,203	851
Retail Expenditure	1,554	188	1,742	2,192
Cardiff Heliport	352	-	352	270
Caffi HEMS	90	-	90	106
Merchandise	16	-	16	23
Investment Management Costs	19	-	19	10
	<u>3,869</u>	<u>556</u>	<u>4,425</u>	<u>4,594</u>

10. CHARITABLE ACTIVITIES

	Unrestricted £'000	Restricted £'000	Total 2021 £'000	Total 2020 £'000
Helicopter Operational Costs	6,591	331	6,922	5,781
Critical Care Hub	-	-	-	83
Helimed 67 staff and consumables costs	211	-	211	206
Airbase Costs	92	-	92	127
MEDTRiM	9	-	9	2
Depreciation	46	27	73	107
Support Costs	110	-	110	147
	<u>7,059</u>	<u>358</u>	<u>7,417</u>	<u>6,454</u>

11. SUPPORT COSTS

Cost Categories	Donations & Legacies £000	Lifesaving Lottery £000	Retail £000	Charitable Activites £000	Total 2021 £000	Total 2020 £'000
Finance	49	16	66	33	164	152
IT & Telecomms	53	8	32	-	93	106
Rent, HLP, Insurance	124	5	19	-	148	139
Office Costs	20	17	10	-	47	54
Human Resources	25	5	25	-	55	53
PR / Communications	33	7	33	-	73	64
Governance	3	3	3	77	86	145
	<u>307</u>	<u>61</u>	<u>188</u>	<u>110</u>	<u>666</u>	<u>712</u>

All costs are attributed by activity on the basis of head count or time spent on each activity.

12. GOVERNANCE COSTS

Analysed as

Salary Costs
Audit Fees
Professional Fees
Trustees' Insurance
Trustees' Expenses
Other

	2021 £'000	2020 £'000
Salary Costs	65	83
Audit Fees	15	14
Professional Fees	0	45
Trustees' Insurance	3	2
Trustees' Expenses	5	1
Other	0	0
	<u>88</u>	<u>145</u>

13. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements.

The results are summarised below:

Total incoming resources
Total resources expended
Net incoming resources
Net unrealised investment gain/(loss)
Gains and losses on revaluation of fixed assets
Net movement in funds
Funds:
At 1 August 2020
At 31 July 2021

	2021 £'000	2020 £'000
Total incoming resources	12,685	14,188
Total resources expended	(11,420)	(10,684)
Net incoming resources	1,265	3,504
Net unrealised investment gain/(loss)	545	(167)
Gains and losses on revaluation of fixed assets	-	(2,481)
Net movement in funds	1,810	856
Funds:		
At 1 August 2020	11,938	11,082
At 31 July 2021	<u>13,748</u>	<u>11,938</u>

14. STAFF NUMBERS AND COSTS

Group	2021 £'000	2020 £'000
Gross Salaries	1,637	1,851
Social Security	119	130
Pension Costs	83	84
	<u>1,839</u>	<u>2,065</u>

The average number of employees, (excluding directors who are trustees) analysed by function was as follows:

	2021 Number	2020 Number
Fundraising	17	24
Finance, Administration and HR	13	12
Retail	38	47
Heliport	3	3
Caffi HEMS	4	5
	<u>75</u>	<u>91</u>

The Trustees received no emoluments from the Charitable Company. Two Trustees were reimbursed expenses totalling £321 (2020 - four Trustees were reimbursed expenses totalling £923) for travel during the year.

The number of employees whose emoluments (including benefits and employers pension) were paid over £60,000 in the year were as follows:

	Number
£60,000 - £70,000	2

15. KEY MANAGEMENT

The total remuneration of the key management (the Senior Management Team) including any employer pension contributions was £345,000 (2020: £353,000).

16. TANGIBLE FIXED ASSETS

GROUP	FREEHOLD LAND & BUILDINGS £000	FIXTURES & FITTINGS £000	PLANT & MACHINERY £000	OFFICE EQUIPMENT £000	MOTOR VEHICLES £000	TOTAL £000
COST						
At beginning of year	1,180	468	356	168	155	2,327
Additions	-	80	-	19	-	99
Disposals	-	-	-	-	(68)	(68)
At end of year	<u>1,180</u>	<u>548</u>	<u>356</u>	<u>187</u>	<u>87</u>	<u>2,358</u>
DEPRECIATION						
At beginning of year	3	322	225	70	128	748
Charge for year	19	85	67	24	18	213
Eliminated on disposal	-	-	-	-	(68)	(68)
At end of year	<u>22</u>	<u>407</u>	<u>292</u>	<u>94</u>	<u>77</u>	<u>893</u>
NET BOOK VALUE						
At 31 July 2021	<u>1,158</u>	<u>141</u>	<u>64</u>	<u>93</u>	<u>10</u>	<u>1,466</u>
At 31 July 2020	<u>1,177</u>	<u>146</u>	<u>130</u>	<u>98</u>	<u>27</u>	<u>1,579</u>
CHARITY COST						
At beginning of year	1,141	455	344	168	155	2,263
Additions	-	75	-	19	-	94
Disposals	-	-	-	-	(68)	(68)
At end of year	<u>1,141</u>	<u>530</u>	<u>344</u>	<u>187</u>	<u>87</u>	<u>2,289</u>
DEPRECIATION						
At beginning of year	1	322	216	70	127	736
Charge for year	18	82	66	24	18	208
Eliminated on disposal	-	-	-	-	(68)	(68)
At end of year	<u>19</u>	<u>404</u>	<u>282</u>	<u>94</u>	<u>77</u>	<u>876</u>
NET BOOK VALUE						
At 31 July 2021	<u>1,122</u>	<u>126</u>	<u>62</u>	<u>93</u>	<u>10</u>	<u>1,413</u>
At 31 July 2020	<u>1,140</u>	<u>133</u>	<u>128</u>	<u>98</u>	<u>28</u>	<u>1,527</u>

17. FIXED ASSET INVESTMENTS**Charitable Company**

	SHARES IN GROUP UNDERTAKINGS	MARKET VALUE OF OTHER FIXED ASSET INVESTMENTS	TOTAL
	£	£	£
Cost or valuation			
At beginning of year	1	2,246,272	2,246,273
Shares purchased at cost		1,390,166	1,390,166
Shares disposed at book value		(507,120)	(507,120)
Cash movement during the year	-	16,954	16,954
Charges for year	-	(19,409)	(19,409)
Income received	-	46,401	46,401
Increase in value of investment	-	544,558	544,558
At end of year	1	3,717,822	3,717,823
Market value at 31 July 2021	1	3,717,822	3,717,823
Market value at 31 July 2020	1	2,246,272	2,246,273

The market value at 31 July 2021 comprises a sum of £3,717,822 (2020: £2,246,272) managed by Brewin Dolphin.

GROUP	MARKET VALUE OF OTHER FIXED ASSET INVESTMENTS	TOTAL
	£	£
Cost or valuation		
At beginning of year	2,246,272	2,246,272
Shares purchased at cost	1,390,166	1,390,166
Shares disposed at book value	(507,120)	(507,120)
Cash movement during the year	16,954	16,954
Charges for year	(19,409)	(19,409)
Income received	46,401	46,401
Increase in value of investment	544,558	544,558
At end of year	3,717,822	3,717,822
Market value at 31 July 2021	3,717,822	3,717,822
Market value at 31 July 2020	2,246,272	2,246,272

The market value at 31 July 2021 comprises a sum of £3,717,822 (2020: £2,246,272) managed by Brewin Dolphin.

17. FIXED ASSET INVESTMENTS CONTINUED

The aggregated amount of capital and reserves and a summary of the subsidiary results for the financial year were as follows:

	2021	2020
	19	(27)
Capital and Reserves		
Turnover	533	394
Expenses	483	430
Surplus for the year	50	(36)
Add tax refund/ Less tax on surplus	(5)	2
Surplus for the year after tax	45	-34

18. STOCKS

	GROUP 2021 £000	CHARITY 2021 £000	GROUP 2020 £000	CHARITY 2020 £000
Donated goods	36	36	51	51
Merchandise	30	-	47	-
Caffi HEMS	2	-	2	-
Fuel Stock	18	-	7	-
	86	36	107	51

19. DEBTORS

	GROUP 2021 £000	CHARITY 2021 £000	GROUP 2020 £000	CHARITY 2020 £000
Amounts falling due within 1 year				
Welsh Air Ambulance Trading Ltd	-	123	-	47
Trade debtor	88	54	80	55
Legacy Debtors	5,062	5,062	4,040	4,040
Other debtors	65	49	294	282
Prepayments	143	121	127	106
VAT debtors	51	39	46	44
	<u>5,409</u>	<u>5,448</u>	<u>4,587</u>	<u>4,574</u>
Amounts falling due after 1 year				
Welsh Air Ambulance Trading Ltd	-	-	-	169
	<u>5,409</u>	<u>5,448</u>	<u>4,587</u>	<u>4,743</u>

Two separate loan agreements are in place between Welsh Air Ambulance Charitable Trust and Welsh Air Ambulance Trading Ltd. Loan interest of £4,477 has been charged this year.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2021 £000	CHARITY 2021 £000	GROUP 2020 £000	CHARITY 2020 £000
Trade Creditors	489	406	190	151
Pension / PAYE accrual	31	31	27	27
Deferred Income	565	565	514	514
Accruals	344	340	202	198
Taxation & Social Security	2	-	(2)	-
	<u>1,431</u>	<u>1,342</u>	<u>931</u>	<u>890</u>

Deferred income relates to lottery membership paid in advance of the prize draws.

21. DEFERRED TAX LIABILITY

	£000
Balance at 1 August 2020	-
Timing differences	3
	<u>3</u>
Balance at 31 July 2021	

22. STATEMENT OF FUNDS

GROUP	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	8,618	12,528	(10,044)	(99)	545	-	11,548
Designated funds:							
- Fixed Asset Fund	1,546	-	(186)	99	-	-	1,459
- Night Flying Funds	1,704	-	(961)	-	-	-	743
Restricted funds							
Fixed Asset Fund	33	-	(27)	-	-	-	6
Restricted Use Funds	10	629	(629)	-	-	-	10
	<u>11,911</u>	<u>13,157</u>	<u>(11,847)</u>	<u>-</u>	<u>545</u>	<u>-</u>	<u>13,766</u>

CHARITY	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	8,697	12,056	(9,621)	(94)	545	-	11,583
Designated funds:							
- Fixed Asset Fund	1,494	-	(181)	94	-	-	1,407
- Night Flying Funds	1,704	-	(961)	-	-	-	743
Restricted funds							
Fixed Asset Fund	33	-	(27)	-	-	-	6
Restricted Use Funds	10	629	(629)	-	-	-	10
	<u>11,938</u>	<u>12,685</u>	<u>(11,419)</u>	<u>-</u>	<u>545</u>	<u>-</u>	<u>13,748</u>

22. STATEMENT OF FUNDS CONTINUED

GROUP	AT 1 AUGUST 2019	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2020
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	5,010	13,690	(9,812)	(104)	(167)	-	8,617
Designated funds:							
- Fixed Asset Fund	4,175	-	(252)	104	-	(2,481)	1,546
- Night Flying Funds	1,830	-	(126)	-	-	-	1,704
Restricted funds							
Fixed Asset Fund	64	-	(31)	-	-	-	33
Restricted Use Funds	10	826	(826)	-	-	-	10
	11,089	14,516	(11,047)	-	(167)	(2,481)	11,910

CHARITY	AT 1 AUGUST 2019	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2020
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	5,003	13,362	(9,451)	(50)	(167)	-	8,697
Designated funds:							
- Fixed Asset Fund	4,175	-	(251)	50	-	(2,481)	1,494
- Night Flying Funds	1,830	-	(126)	-	-	-	1,704
Restricted funds							
Fixed Asset Fund	64	-	(31)	-	-	-	33
Restricted Use Funds	10	826	(826)	-	-	-	10
	11,082	14,188	(10,685)	-	(167)	(2,481)	11,938

THE FUNDS REPRESENT**Designated Fixed Asset Fund**

The capital spend designated fund represents the surpluses which have been spent on capital assets. These surpluses are not available since the cash has been committed on such assets.

Designated Night Flying Fund

Night Flying Fund - the Charity realised its long term objective to provide a 24/7 service for the people of Wales in December 2020. This fund was set up to support the additional costs of night flying.

Restricted Fixed Asset Fund

The balance of restricted funds carried forward relates to the net book value of fixed assets purchased.

Restricted Use Fund

These restricted funds are unspent funds, restricted in purpose, to be used in the future.

General Funds

These are the reserves remaining when restricted and designated funds are excluded from the total amount. General Funds are held so that the charity can continue its operations in the event of an unforeseen shortfall in voluntary income or increase in costs.

23. A CURRENT YEAR 12 MONTHS AND PRIOR 12 MONTHS COMBINED POSITION AS FOLLOWS:

GROUP	AT 1 AUGUST 2019	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	5,010	26,219	(19,856)	(203)	378	-	11,548
Designated funds:							
- Fixed Asset Fund	4,175	-	(438)	203	-	(2,481)	1,459
- Night Flying Funds	1,830	-	(1,087)	-	-	-	743
Restricted funds							
Fixed Asset Fund	64	-	(58)	-	-	-	6
Restricted Use Funds	10	1,455	(1,455)	-	-	-	10
	11,089	27,673	(22,894)	-	378	(2,481)	13,766

CHARITY	AT 1 AUGUST 2019	INCOME	EXPENSES	TRANS- FERS	UNREALISED GAIN ON INVEST- MENTS	GAINS & LOSSES ON REVALU- ATION OF FIXED ASSETS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000	£000
Unrestricted funds							
General funds	5,003	25,417	(19,072)	(144)	378	-	11,582
Designated funds:							
- Fixed Asset Fund	4,175	-	(432)	144	-	(2,481)	1,407
- Night Flying Funds	1,830	-	(1,087)	-	-	-	743
Restricted funds							
Fixed Asset Fund	64	-	(58)	-	-	-	6
Restricted Use Funds	10	1,455	(1,455)	-	-	-	10
	11,082	26,873	(22,103)	-	378	(2,481)	13,748

24. SHARE CAPITAL

The Charitable Company is limited by guarantee and as such has no share capital. In the event of the Charitable Company being wound up, the liability of each member is limited to £10.

25. GIFT AID

During the year Welsh Air Ambulance Trading Limited did not gift aid a donation to the Charity (2020: £nil).

25. FINANCIAL COMMITMENTS

Financial commitments under non cancellable operating leases will result in the following annual payments in respect of land and buildings:

	LAND & BUILDINGS	
	2021	2020
	£000	£000
Expiring within 1 year	338	349
Expiring within 2-5 years	454	481
Expiring after 5 years	-	-

Financial commitments under non cancellable operating leases will result in the following annual payments in respect of motor vehicles:

	MOTOR VEHICLES	
	2021	2020
	£000	£000
Expiring within 1 year	29	42
Expiring with 2-5 years	-	29
Expiring after 5 years	-	-

26. TRUSTEE INDEMNITY INSURANCE

Included in administration costs is the cost of Trustees’ liability insurance amounting to £2,763 (2020 £2,240).

Officers & Contacts

Trustees

- R M James
- D R Kitto
- D Gilbert
- K Jacques
- D Jones-Morris
- J Wagstaffe
- S Curtis
- O S Davies
- R Locke
- L Church
- A Burdge
- S Ley
- L Dafydd (resigned 28 October 2021)
- B Kirsop (resigned 15 June 2021)

Company Secretary

J Stephens

Chief Executive

S Barnes (appointed 1 December 2020)

Patron

Bryn Terfel

Registered office

Ty Elusen
Ffordd Angel,
Llanelli Gate,
Dafen
Llanelli
SA14 8LQ

Registered Company Number

4036600 (England and Wales)

Registered Charity Number

1083645

Auditors

Bevan Buckland LLP
Cardigan House, Ground Floor,
Castle Court
Swansea Enterprise Park,
Swansea
SA7 9LA

Bankers

Barclays Bank PLC
3rd Floor, Windsor Court
3 Windsor Place
Cardiff
CF10 3ZL

Solicitors

Geldards LLP
4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Investment Managers

Brewin Dolphin Ltd
2nd Floor, 5 Callaghan Square
Cardiff
CF10 5BT